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# HOUSE BILL No. 2102

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-5.5; IC 20-7.5-1-2.

**Synopsis:** Charter schools. Allows a sponsor to issue a charter to a nonprofit organizer to establish a charter school. Defines a "sponsor" as the governing body of a school corporation. Sets forth the organization, powers, method of establishment, charter contents, policies, oversight, funding, and restrictions for charter schools. Allows teachers of a nonconversion charter school to organize and collectively bargain. Provides that teachers in a conversion charter school remain in the bargaining unit. Requires 100% of the teachers in a charter school to hold a license to teach in a public school. Provides that if a school corporation eliminates a teaching position in a noncharter school because of a charter school, the legal or contractual provisions, if any, otherwise applicable to a teacher continue to apply to that teacher. Provides a procedure for the conversion of an existing public school to a charter school that includes teacher and parental approval. Allows two or more school corporations to jointly grant a charter to establish a regional charter school.

**Effective:** Upon passage.

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## Porter

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January 17, 2001, read first time and referred to Committee on Education.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 2102

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON  
3 PASSAGE]:

4 **ARTICLE 5.5. CHARTER SCHOOLS**

5 **Chapter 1. Definitions**

6 **Sec. 1. The definitions in this chapter apply throughout this**  
7 **article.**

8 **Sec. 2. "Board"** refers to the Indiana state board of education  
9 **established by IC 20-1-1-1.**

10 **Sec. 3. "Charter"** means a contract between an organizer and  
11 **a sponsor for the establishment of a charter school.**

12 **Sec. 4. "Charter school"** means a public elementary school or  
13 **secondary school established under this article that:**

14 **(1) is nonsectarian and nonreligious; and**

15 **(2) operates under a charter.**

16 **Sec. 5. "Conversion charter school"** means a charter school  
17 **established under IC 20-5.5-11 by the conversion of an existing**



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1 school into a charter school.

2 Sec. 6. "Department" refers to the department of education  
3 established by IC 20-1-1.1-2.

4 Sec. 7. "Elementary school" has the meaning set forth in  
5 IC 20-10.1-1-15.

6 Sec. 8. "Existing school" includes a new school building if the  
7 students or teachers from a closed school building are transferred  
8 to the new school building.

9 Sec. 9. "Governing body" has the meaning set forth in  
10 IC 20-10.1-1-5.

11 Sec. 10. "Organizer" refers to a nonprofit group or entity that  
12 enters into a contract under this article to operate a charter school.

13 Sec. 11. "Parent" has the meaning set forth in IC 20-8.1-1-3.

14 Sec. 12. "Proposal" refers to a proposal from an organizer to  
15 establish a charter school.

16 Sec. 13. "Public school" has the meaning set forth in  
17 IC 20-10.1-1-2.

18 Sec. 14. "Regional charter school" means a charter school  
19 established jointly by two (2) or more school corporations.

20 Sec. 15. "School corporation" has the meaning set forth in  
21 IC 20-10.1-1-1.

22 Sec. 16. "Secondary school" refers to a high school (as defined  
23 in IC 20-10.1-1-16).

24 Sec. 17. "Sponsor" means the following:

25 (1) For a charter school, a governing body.

26 (2) For a regional charter school, two (2) or more governing  
27 bodies acting jointly.

28 Sec. 18. "Teacher" has the meaning set forth in IC 20-6.1-1-8.

## 29 Chapter 2. Description

30 Sec. 1. A charter school may be established under this article to  
31 provide innovative and autonomous programs that do the  
32 following:

33 (1) Serve the different learning styles and needs of public  
34 school students to better meet the needs of public school  
35 students.

36 (2) Offer public school students appropriate and innovative  
37 choices that have the potential to be replicated in other public  
38 schools.

39 (3) Afford varied opportunities for professional educators.

40 (4) Allow public schools freedom and flexibility in exchange  
41 for exceptional levels of accountability.

42 (5) Provide parents, students, community members, and local

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entities with an expanded opportunity for involvement in the public school system.

**Sec. 2. A charter school is subject to all federal and state laws and constitutional provisions that prohibit discrimination on the basis of the following:**

- (1) Disability.**
- (2) Race.**
- (3) Color.**
- (4) Gender.**
- (5) National origin.**
- (6) Religion.**
- (7) Ancestry.**

**Chapter 3. Establishment**

**Sec. 1. A sponsor may grant a charter to an organizer to operate a charter school under this article.**

**Sec. 2. A sponsor may grant a charter only to an organizer that is a nonprofit organization that meets the following requirements:**

- (1) Education is a major purpose of the organization.**
- (2) If the organization is a corporation, the organization is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code.**
- (3) The organization is not organized or operated for the private benefit or gain of any member, trustee, shareholder, employee, or associate. For purposes of this subdivision, the term "private benefit or gain" does not include reasonable compensation paid to an employee for work or services actually performed.**
- (4) The organization's constitution, chapter, articles, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit educational purposes.**

**Sec. 3. (a) An organizer may submit to the sponsor a proposal to establish a charter school.**

**(b) A proposal must contain at least the following information:**

- (1) Identification of the organizer.**
- (2) A description of the organizer's organizational structure and governance plan.**
- (3) The following information for the proposed charter school:**
  - (A) Name.**
  - (B) Purposes.**
  - (C) Governance structure. The governing body must**



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include the following members:

(i) Teachers who will teach in the proposed charter school.

(ii) A representative of the school employee organization (as defined in IC 20-7.5-1-2(k)) that will represent employees in the proposed charter school, if applicable.

(iii) Parents of students who will attend the proposed charter school.

(iv) Taxpayers who reside in the sponsoring school corporation.

(D) Management structure.

(E) Educational mission goals.

(F) Curriculum and instructional methods.

(G) Methods of pupil assessment.

(H) Admission policies and criteria, subject to IC 20-5.5-5.

(I) School calendar.

(J) Age or grade range of pupils to be enrolled.

(K) A description of staff responsibilities.

(L) A description and the address of the physical plant.

(M) Budget and financial plans.

(N) Personnel plan, including methods for selection, retention, and compensation of employees.

(O) Transportation plan.

(P) Discipline program.

(Q) Plan for compliance with any applicable desegregation order.

(R) The date when the charter school is expected to:

(i) begin school operations; and

(ii) have students in attendance at the charter school.

(S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.

(4) The manner in which an annual audit of the program operations of the charter school is to be conducted by the sponsor.

(c) This section does not waive, limit, or modify the provisions of IC 20-7.5 in a charter school where the teachers have chosen to organize under IC 20-7.5.

**Sec. 4.** A sponsor that is the governing body of the school corporation in which the proposed charter school is located must comply with the following:

(1) Make available to the public copies of the charter school

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1 application, or require the organizer to make copies available  
2 to the public.

3 (2) Give notice under IC 5-3-1-2(b) of the public hearing  
4 required under this section.

5 (3) Hold a public hearing within reasonable geographic  
6 proximity to the location of the proposed charter school, at  
7 which testimony must be allowed from the organizer and  
8 members of the public.

9 Sec. 5. (a) Except as provided in subsection (b), if a governing  
10 body grants a charter to establish a charter school, the governing  
11 body must provide a noncharter school that students of the same  
12 age or grade levels may attend.

13 (b) The department may waive the requirement that a  
14 governing body provide a noncharter school under subsection (a)  
15 upon the request of the governing body.

16 Sec. 6. The sponsor may revoke the charter of a charter school  
17 that does not, by the date specified in the charter:

18 (1) begin school operations; and

19 (2) have students in attendance at the charter school.

20 Sec. 7. Before granting a charter under which more than fifty  
21 percent (50%) of the students in the school corporation will attend  
22 a charter school, a governing body must receive the approval of the  
23 department.

24 Sec. 8. (a) The sponsor must notify the department of the  
25 following:

26 (1) The receipt of a proposal.

27 (2) The acceptance of a proposal.

28 (3) The rejection of a proposal, including the reasons for the  
29 rejection, the number of members of the sponsor favoring the  
30 proposal, and the number of members of the sponsor not  
31 favoring the proposal.

32 (b) The department shall annually do the following:

33 (1) Compile the information received under subsection (a)  
34 into a report.

35 (2) Submit the report to the legislative council.

36 Sec. 9. If a sponsor rejects a charter school proposal, the  
37 organizer may amend the charter school proposal and resubmit the  
38 proposal to the same sponsor.

39 Sec. 10. (a) This section applies if:

40 (1) a governing body rejects a proposal; and

41 (2) at least one-third (1/3) of the members of the governing  
42 body favor the proposal.

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(b) The organizer may appeal the decision of the governing body to the charter school review panel created under subsection (c).

(c) The charter school review panel is created. The members of the panel are the superintendent of public instruction and two (2) members of the board who are appointed by the superintendent of public instruction.

(d) Upon the request of an organizer, the panel shall meet to consider the organizer's proposal and the governing body's reasons for rejecting the proposal. The panel must allow the organizer and governing body to participate in the meeting.

(e) After the panel meets under subsection (d), the panel shall make one (1) of the following three (3) findings and issue the finding to the organizer and the governing body:

(1) A finding that supports the governing body's rejection of the proposal.

(2) A finding that directs the governing body to approve the proposal.

(3) A finding that:

(A) recommends that the organizer amend the proposal; and

(B) specifies the changes to be made in the proposal if the organizer elects to amend the proposal.

The panel shall issue the finding not later than forty-five (45) days after the panel receives the request for review.

(f) If the panel makes a finding described in subsection (e)(1) or (e)(2), the finding is binding and final.

(g) If:

(1) the panel makes a finding described in subsection (e)(3); and

(2) the organizer submits to the governing body an amended proposal that contains the changes specified in the finding of the panel;

the governing body shall consider the amended proposal not later than forty-five (45) days after the governing body receives the amended proposal. If the governing body rejects the amended proposal, the organizer may appeal the rejection in the same manner that an initial proposal is appealed under this section.

#### **Chapter 4. The Charter**

##### **Sec. 1. A charter must do the following:**

(1) Be a written instrument.

(2) Be executed by a sponsor and an organizer.

(3) Confer certain rights, franchises, privileges, and



obligations on a charter school.

(4) Confirm the status of a charter school as a public school.

(5) Be granted for:

(A) not less than three (3) years; and

(B) a fixed number of years agreed to by the governing body and the organizer.

(6) Provide for:

(A) a review by the sponsor of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect; and

(B) renewal, if the sponsor and the organizer agree to renew the charter.

(7) Specify the grounds for the sponsor to:

(A) revoke the charter before the end of the term for which the charter is granted; or

(B) not renew a charter.

The sponsor may appeal the organizer's decision to revoke or not renew the charter in the manner set forth in IC 20-5.5-3-10.

(8) Set forth the methods by which the charter school is held accountable for achieving the educational mission and goals of the charter school, including the following:

(A) Evidence of improvement in assessment measures, attendance rates, and graduation rates (if appropriate), and increased numbers of academic honors diplomas.

(B) Evidence of progress toward reaching the educational goals set by the sponsor.

(9) Describe the method to be used to monitor the charter school's:

(A) compliance with applicable law; and

(B) performance in meeting targeted educational performance.

(10) Specify that the sponsor and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.

(11) Describe specific operating requirements, including all of the matters set forth in the application for the charter.

(12) Specify a date when the charter school will:

(A) begin school operations; and

(B) have students in attendance at the charter school.

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(13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.

(14) Specify that records provided by the charter school to the department or sponsor that relate to compliance by the operator with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.

(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

#### **Chapter 5. Student Admissions and Enrollment**

**Sec. 1.** Except as provided in this chapter, a charter school must be open to any student who resides in:

(1) the school corporation in which the charter school is located, for a charter school sponsored by a single governing body; or

(2) one (1) of the school corporations that sponsors a regional charter school.

**Sec. 2.** Except as provided in this chapter, a charter school may not establish admission policies or limit student admissions in any manner in which a public school is not permitted to establish admission policies or limit student admissions.

**Sec. 3. (a)** Except as provided in subsections (b) and (c), a charter school must enroll any eligible student who submits a timely application for enrollment.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If a charter school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of being admitted.

(c) A charter school may limit new admissions to the charter school to:

(1) ensure that a student who attends the charter school during a school year may continue to attend the charter school in subsequent years; and

(2) allow the siblings of a student who attends a charter school to attend the charter school.

**Sec. 4.** A charter school shall periodically provide information to the parents of students in the school corporation concerning the opportunity for students to enroll in the charter school. The

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1 charter school shall design and deliver this information in a  
 2 manner to reach the parents of all students, including at risk  
 3 students.

4 Sec. 5. (a) This section applies to a student who does not have  
 5 legal settlement (as defined in IC 20-8.1-1-7.1) in a school  
 6 corporation that is the sponsor of a charter school or a regional  
 7 charter school that the student's parent wishes the student to  
 8 attend.

9 (b) A student may enroll in any charter school or regional  
 10 charter school in Indiana if the following requirements are met:

11 (1) The student's parent does the following:

12 (A) Requests that the student be admitted to enroll in the  
 13 charter school or regional charter school.

14 (B) Agrees to provide and pay for transportation of the  
 15 student to and from the charter school or regional charter  
 16 school.

17 (2) The following jointly agree to enroll the student in the  
 18 charter school or regional charter school:

19 (A) The governing body of the school corporation where  
 20 the student has legal settlement.

21 (B) The principal, or equivalent person or body, of the  
 22 charter school or regional charter school.

23 (c) The following apply to a student described in subsection (a):

24 (1) A school corporation is not required to provide  
 25 transportation for the student to attend the charter school or  
 26 regional charter school.

27 (2) Neither the student nor the student's parent is required to  
 28 pay transfer tuition for the student to attend the charter  
 29 school or regional charter school.

30 (3) The transferor school corporation in which the student has  
 31 legal settlement shall pay the student's transfer tuition to the  
 32 charter school.

33 (4) A transfer becomes effective on a date jointly determined  
 34 by the parent and the affected school corporations.

35 (d) A student who is denied enrollment in a charter school under  
 36 this section may appeal the denial to the board. The board shall  
 37 hear the appeal in the manner provided in IC 20-8.1-6.1-10.

#### 38 Chapter 6. Employment

39 Sec. 1. Teachers who work at a charter school are employees of  
 40 the charter school.

41 Sec. 2. Teachers of a charter school that is not a conversion  
 42 charter school may choose to organize and bargain collectively

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under IC 20-7.5.

**Sec. 3. (a)** This section applies to a conversion charter school.

**(b)** After the conversion, the teachers in a conversion charter school remain a part of the bargaining unit of the sponsor and are subject to all the provisions of the collective bargaining agreement.

**(c)** The governing body, the equivalent body of the conversion charter school, and the exclusive representative may by mutual agreement grant a waiver of a specific provision of the collective bargaining agreement.

**Sec. 4. (a)** This section applies to the following:

**(1)** A charter school that is not a conversion charter school.

**(2)** A regional charter school.

**(b)** IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6 apply to a school described in subsection (a). However, the organizer and the teachers in the school may by mutual agreement waive or modify any provision of IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6.

**Sec. 5.** Not less than one hundred percent (100%) of the teachers in a charter school must hold a license to teach in a public school.

**Sec. 6. (a)** A charter school shall participate in the following:

**(1)** The Indiana state teachers' retirement fund in accordance with IC 21-6.1.

**(2)** The public employees' retirement fund in accordance with IC 5-10.3.

**(b)** A person who teaches in a charter school is a member of the Indiana state teachers' retirement fund. Service in a charter school is creditable service for purposes of IC 21-6.1.

**(c)** A person who:

**(1)** is a local school employee of a charter school; and

**(2)** is not eligible to participate in the Indiana state teachers' retirement fund;

is a member of the public employees' retirement fund.

**(d)** The boards of the Indiana state teachers' retirement fund and the public employees' retirement fund shall implement this section through the organizer of the charter school, subject to and conditioned upon receiving any approvals either board considers appropriate from the Internal Revenue Service and the United States Department of Labor.

**Sec. 7.** As a school corporation grants a charter to a charter school and individuals choose and are chosen by the charter school to teach in the charter school, the school corporation may make personnel adjustments among its teachers in its noncharter schools that it believes are necessary or appropriate to match existing



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resources with existing needs in its noncharter schools. If, as part of such adjustments, the school corporation eliminates a teaching position within the corporation, the legal or contractual provisions, if any, otherwise applicable to a teacher in one (1) of its noncharter schools whose contract with the school corporation is canceled as a result of the elimination of the position within the school corporation shall continue to apply to that teacher.

Sec. 8. The governing body must grant a transfer of not more than five (5) years to a teacher of a noncharter school in the school corporation who wishes to teach and has been accepted to teach at a charter school within the school corporation or a regional charter school of which the governing body is a sponsor. During the term of the transfer:

- (1) the teacher's seniority status under law continues as if the teacher were an employee of a noncharter school in the school corporation; and
- (2) the teacher's years as a charter school employee shall be considered for purposes of permanent or semipermanent status with the school corporation under IC 20-6.1-4.

#### Chapter 7. Fiscal Matters

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

- (1) funds received by the charter school; and
- (2) financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

Sec. 2. For purposes of computing:

- (1) state tuition support; or
- (2) state funding for any purpose;

a charter school student is counted in the same manner as a student of the school corporation where the charter school student resides.

Sec. 3. (a) This section applies to a charter school that has a governing body as sponsor of the school.

(b) The governing body shall distribute the following to the organizer:

- (1) A proportionate share of tuition support and any other funding received from the state for the students enrolled in the charter school.
- (2) A proportionate share of state and federal funds received for students with disabilities or staff services for students with disabilities for the students with disabilities enrolled in the

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1 charter school.

2 (3) A proportionate share of funds received under federal or  
3 state categorical aid programs for students who are eligible  
4 for the federal or state aid enrolled in the charter school.

5 (4) A proportionate share of local support for the students  
6 enrolled in the charter school.

7 Sec. 4. (a) Not later than the date established by the department  
8 for determining average daily membership under  
9 IC 21-3-1.6-1.1(d), the organizer shall submit to the governing  
10 body of the school corporation in which the charter school is  
11 located a report of the total number of students enrolled in the  
12 charter school. Upon receipt of the report, the governing body shall  
13 distribute to the organizer a proportionate share of federal, state,  
14 and local support for the students enrolled in the charter school on  
15 the same schedule that the school corporation receives the funds or  
16 on a schedule agreed to by the sponsor and the organizer.

17 (b) This subsection applies to a regional charter school. The  
18 governing body of the school corporation in which the charter  
19 school is located shall assess the other sponsoring governing bodies  
20 an amount equal to the approved per pupil revenues for the  
21 students of the other school corporations that attend the regional  
22 charter school. The other sponsoring governing bodies shall  
23 transfer the revenues to the governing body of the school  
24 corporation in which the charter school is located on the same  
25 schedule as the sponsoring school corporations receive the revenue  
26 or on a schedule agreed to by the sponsoring governing bodies.

27 Sec. 5. Services that a school corporation provides to a charter  
28 school, including transportation, may be provided at not more than  
29 one hundred three percent (103%) of the actual cost of the services.

30 Sec. 6. An organizer may apply for and accept for a charter  
31 school:

32 (1) independent financial grants; or

33 (2) funds from public or private sources other than the  
34 department.

35 Sec. 7. A governing body may distribute an amount to the  
36 organizer from the school corporation's capital projects fund  
37 established under IC 21-2-15. The governing body and the  
38 organizer shall determine the amount distributed under this  
39 section through discussion and mutual agreement. The organizer  
40 must use the money distributed under this section only for a  
41 purpose for which a school corporation may use money from the  
42 capital projects fund.

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**Chapter 8. Powers and Exemptions**

**Sec. 1. A charter school may do the following:**

- (1) Sue and be sued in its own name.
- (2) For educational purposes, acquire real and personal property or an interest in real and personal property by purchase, gift, grant, devise, or bequest.
- (3) Convey property.
- (4) Enter into contracts in its own name, including contracts for services.

**Sec. 2. A charter school may not do the following:**

- (1) Operate at a site or for grades other than as specified in the charter.
- (2) Charge tuition to any student attending the charter school that is in excess of the tuition currently allowed under law, or impose any mandatory fees upon a student enrolled in the charter school in preschool special education or in kindergarten through grade 12. However, a charter school may:
  - (A) charge fees for the same items or services that a noncharter public school in the school corporation in which the charter school is located may charge fees; and
  - (B) charge tuition for:
    - (i) a preschool program, unless charging tuition for the preschool program is barred under federal law; or
    - (ii) a latch key program;
 if the charter school provides those programs.
- (3) Be located in a private residence.

**Sec. 3. For each charter school established under this article, the charter school and the organizer are accountable to the sponsor for ensuring compliance with:**

- (1) applicable federal and state laws;
- (2) the charter; and
- (3) the Constitution of the State of Indiana.

**Sec. 4. Except as specifically provided in this article and the statutes listed in section 5 of this chapter, the following do not apply to a charter school:**

- (1) Any Indiana statute specifically applicable to a governing body or school corporation.
- (2) A rule or guideline adopted by the Indiana state board of education.
- (3) A local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.



1       **Sec. 5. The following statutes and rules and guidelines adopted**  
 2 **under the following statutes apply to a charter school:**

- 3       (1) IC 5-11-1-9 (requiring audit by state board of accounts).
- 4       (2) IC 20-1-1.5 (unified accounting system).
- 5       (3) IC 20-1-6 (special education).
- 6       (4) For a charter school sponsored by a board described in
- 7       IC 20-3.1-2-6, IC 20-3.1 (improvement in student achievement
- 8       in school cities).
- 9       (5) IC 20-5-2-3 (subject to laws requiring regulation by state
- 10       and federal agencies).
- 11       (6) IC 20-5-2-7 and IC 20-6.1-3-7.1 (criminal history).
- 12       (7) For a conversion or regional charter school only,
- 13       IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6 (teacher matters).
- 14       (8) For a charter school not described in subdivision (6),
- 15       IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6 (teacher matters),
- 16       unless waived or modified by the mutual agreement of the
- 17       organizer and the teachers in the charter school (or the
- 18       teacher's exclusive representative, if applicable).
- 19       (9) IC 20-6.1-6-11 (nondiscrimination for teacher marital
- 20       status).
- 21       (10) IC 20-6.1-6-13 (teacher freedom of association).
- 22       (11) IC 20-6.1-6-15 (school counselor immunity).
- 23       (12) IC 20-8.1-3 (compulsory education).
- 24       (13) IC 20-8.1-4 (limitations on employment of children).
- 25       (14) IC 20-8.1-5.1-10 (firearms and deadly weapons).
- 26       (15) IC 20-8.1-5.1-13, IC 20-8.1-5.1-15, and IC 20-8.1-5.1-15.5
- 27       (student due process and judicial review).
- 28       (16) IC 20-8.1-7 and IC 20-8.1-8 (health and safety measures).
- 29       (17) IC 20-8.1-9-3 (exemption from school fees for eligible
- 30       families and fee reimbursement).
- 31       (18) IC 20-8.1-9-6 (notice to parents concerning financial
- 32       assistance).
- 33       (19) IC 20-8.1-12 (reporting of student violations of law).
- 34       (20) IC 20-10.1-2 (calendar, annual observances, national
- 35       anthem, United States flag).
- 36       (21) IC 20-10.1-16, IC 20-10.1-17, or any other statute, rule,
- 37       or guideline related to standardized testing (assessment
- 38       programs, including remediation under the assessment
- 39       programs).
- 40       (22) IC 20-10.1-22.4 (parental access to education records).
- 41       (23) IC 20-10.2 (accountability for school performance and
- 42       improvement).

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1       **Sec. 6. A charter school is subject to the bidding and wage**  
 2 **determination laws and all other statutes and rules that apply to**  
 3 **the construction of a public school.**

4       **Sec. 7. A charter school may not duplicate the following if the**  
 5 **programs are established in another school in the sponsoring**  
 6 **school corporation, or, in the case of a regional charter school,**  
 7 **sponsoring school corporations:**

8           **(1) A cooperative program established under IC 20-10.1-6-7.**

9           **(2) An apprentice program other than a program specified in**  
 10 **subdivision (1).**

11       **Chapter 9. Oversight and Revocation**

12       **Sec. 1. An organizer that has established a charter school shall**  
 13 **submit an annual report to the department for informational and**  
 14 **research purposes.**

15       **Sec. 2. An annual report under this chapter must contain the**  
 16 **following information for a charter school:**

17           **(1) Results of all standardized testing.**

18           **(2) A description of the educational methods and teaching**  
 19 **methods employed.**

20           **(3) Daily attendance records.**

21           **(4) Graduation statistics.**

22           **(5) Student enrollment data, including the following:**

23               **(A) The number of students enrolled.**

24               **(B) The number of students expelled.**

25               **(C) The number of students who discontinued attendance**  
 26 **at the charter school and the reasons for the**  
 27 **discontinuation.**

28       **Sec. 3. The sponsor shall oversee a charter school's compliance**  
 29 **with:**

30           **(1) the charter; and**

31           **(2) all applicable law.**

32       **Sec. 4. Notwithstanding the provisions of the charter, a sponsor**  
 33 **that grants a charter may revoke the charter at any time before the**  
 34 **expiration of the term of the charter if the sponsor determines that**  
 35 **at least one (1) of the following occurs:**

36           **(1) The organizer fails to comply with the conditions**  
 37 **established in the charter.**

38           **(2) The charter school established by the organizer fails to**  
 39 **meet the educational goals set forth in the charter.**

40           **(3) The organizer fails to comply with all applicable laws.**

41           **(4) The organizer fails to meet generally accepted government**  
 42 **accounting principles.**

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(5) One (1) or more grounds for revocation exist as specified in the charter.

**Sec. 5. A charter school shall report the following to the sponsor:**

(1) Attendance records.

(2) Student performance data.

(3) Financial information.

(4) Any information necessary to comply with state and federal government requirements.

(5) Any other information specified in the charter.

**Sec. 6. The organizer of a charter school shall publish an annual performance report that provides the information required under IC 20-1-21-8 in the same manner that a school corporation publishes an annual report under IC 20-1-21.**

#### **Chapter 10. Student Transfers From Charter Schools**

**Sec. 1. A public noncharter school that receives a transfer student from a charter school may not discriminate against the student in any way, including placing the student:**

(1) in an inappropriate age group according to the student's ability;

(2) below the student's abilities; or

(3) in a class where the student has already mastered the subject matter.

#### **Chapter 11. Conversion of Existing Schools Into Charter Schools**

**Sec. 1. An existing public elementary or secondary school may be converted into a charter school if the following conditions apply:**

(1) At least sixty-seven percent (67%) of the teachers at the school have signed a petition requesting the conversion.

(2) At least fifty-one percent (51%) of the parents of students at the school have signed a petition requesting the conversion.

**Sec. 2. The organizers shall submit a proposal under IC 20-5.5-3 to convert an existing school to a charter school.**

**Sec. 3. A conversion charter school must permit the parents of a student who was enrolled in the school before the school's conversion to a charter school to:**

(1) remain in the school; or

(2) enroll in another school in the school corporation.

#### **Chapter 12. Regional Charter Schools**

**Sec. 1. The governing bodies of two (2) or more school corporations may grant a charter to an organizer to operate a regional charter school under this article.**



1       **Sec. 2. An organizer may submit to the governing bodies of two**  
 2       **(2) or more school corporations a proposal to establish a regional**  
 3       **charter school. A proposal must contain, at a minimum, the**  
 4       **following information:**

5       **(1) Identification of the organizer.**

6       **(2) A description of the organizer's organizational structure**  
 7       **and governance plan.**

8       **(3) The following information for the proposed regional**  
 9       **charter school:**

10       **(A) Name.**

11       **(B) Purposes.**

12       **(C) Governance structure. The governing body must**  
 13       **include the following members:**

14       **(i) Teachers who will teach in the proposed charter**  
 15       **school.**

16       **(ii) A representative of the school employee organization**  
 17       **(as defined in IC 20-7.5-1-2(k)) that will represent**  
 18       **employees in the proposed charter school, if applicable.**

19       **(iii) Parents of students who will attend the proposed**  
 20       **charter school.**

21       **(iv) Taxpayers who reside in the sponsoring school**  
 22       **corporations.**

23       **(D) Management structure.**

24       **(E) Educational mission goals.**

25       **(F) Curriculum and instructional methods.**

26       **(G) Methods of pupil assessment.**

27       **(H) Admission policy and criteria, subject to IC 20-5.5-5.**

28       **(I) School calendar.**

29       **(J) Age or grade range of pupils to be enrolled.**

30       **(K) A description of staff responsibilities.**

31       **(L) A description and the address of the physical plant.**

32       **(M) Budget and financial plans.**

33       **(N) Personnel plan, including methods for selection,**  
 34       **retention, and compensation of employees.**

35       **(O) Transportation plan.**

36       **(P) Discipline program.**

37       **(Q) Plan for compliance with any applicable desegregation**  
 38       **order.**

39       **(R) The date when the regional charter school is expected**  
 40       **to:**

41       **(i) begin school operations; and**

42       **(ii) have students in attendance at the regional charter**

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- 1 school.
- 2 (S) The arrangement for providing teachers and other staff
- 3 with health insurance, retirement benefits, liability
- 4 insurance, and other benefits.
- 5 (4) Identification of the school corporation where the regional
- 6 charter school will be located.
- 7 (5) The compensation that the school corporations shall pay
- 8 to the organizer, including the percentage of compensation
- 9 provided by each school corporation.
- 10 (6) The manner in which an annual audit of the programmatic
- 11 operations of the regional charter school is to be conducted by
- 12 the governing bodies.

13 **Sec. 3. (a) The governing bodies of each school corporation that**

14 **has granted a charter for a regional charter school must act jointly**

15 **to revoke the charter of a regional charter school that does not by**

16 **the date specified in the charter:**

- 17 (1) begin school operations; and
- 18 (2) have students in attendance at the regional charter school.

19 (b) The following apply when the governing body of a school

20 corporation that has granted a charter for a regional charter

21 school wishes to cease participation in a regional charter school:

- 22 (1) If after the withdrawal two (2) or more school
- 23 corporations remain in the regional charter school, the
- 24 charter remains in effect and the regional charter school
- 25 continues in existence.

- 26 (2) If only one (1) school corporation remains after the
- 27 withdrawal:

- 28 (A) the charter is canceled;
- 29 (B) the regional charter school terminates; and
- 30 (C) the withdrawing school and the remaining school may
- 31 grant a new charter to an organizer to operate a charter
- 32 school that is not a regional charter school.

33 **Sec. 4. (a) Each governing body must notify the department of**

34 **the following concerning a regional charter school:**

- 35 (1) The receipt of a proposal.
- 36 (2) The acceptance of a proposal.
- 37 (3) The rejection of a proposal, including the reasons for the
- 38 rejection, the number of members of the governing body
- 39 favoring the proposal, and the number of members of the
- 40 governing body not favoring the proposal.

41 (b) The department shall annually do the following:

- 42 (1) Compile the information received under subsection (a)



into a report.

(2) Submit the report to the legislative council.

**Sec. 5. A proposal to establish a regional charter school must be approved by a majority of the members of each governing body to which the proposal was submitted.**

**Sec. 6. (a) This section applies if:**

(1) a governing body rejects a proposal to establish a regional charter school; and

(2) at least one-third (1/3) of the members of each governing body to which the proposal was submitted favor the proposal, as evidenced by the minutes of each governing body.

(b) The organizer may appeal the decision of the governing bodies to the charter school review panel created under subsection (c).

(c) The charter school review panel is created. The members of the panel are the superintendent of public instruction and two (2) members of the board who are appointed by the superintendent of public instruction.

(d) Upon the request of an organizer, the panel shall meet to consider the organizer's proposal and the governing bodies' reasons for rejecting the proposal. The panel must allow the organizer and governing bodies to participate in the meeting.

(e) After the panel meets under subsection (d), the panel shall make one (1) of the following three (3) findings and issue the finding to the organizer and the governing bodies:

(1) A finding that supports the governing bodies' rejection of the proposal.

(2) A finding that directs the governing bodies to approve the proposal.

(3) A finding that:

(A) recommends that the organizer amend the proposal; and

(B) specifies changes to be contained in the proposal if the organizer elects to amend the proposal.

The panel shall issue the finding not later than forty-five (45) days after the panel receives the request for review.

(f) If the panel makes a finding described in subsection (e)(1) or (e)(2), the finding is binding and final.

(g) If:

(1) the panel makes a finding described in subsection (e)(3); and

(2) the organizer submits to the governing bodies an amended

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proposal that contains the changes specified in the finding of the panel;

the governing bodies shall consider the amended proposal not later than forty-five (45) days after the governing bodies receive the amended proposal. If a governing body rejects the amended proposal, the organizer may appeal the rejection in the same manner than an initial proposal is appealed under this section.

**Sec. 7. A governing body must include a regional charter school in which the school corporation participates when complying with public notice requirements affecting public schools.**

SECTION 2. IC 20-7.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law and, in the case of public vocational schools or schools for children with disabilities established or maintained by two (2) or more school corporations, shall refer to such schools.

(b) "Governing body" ~~shall mean:~~ **means:**

(1) the board or commission charged by law with the responsibility of administering the affairs of the school corporation; **or**

(2) **the body that administers a charter school established under IC 20-5.5.**

(c) "School employer" means:

(1) the governing body of each:

(A) school corporation; **or**

(B) **charter school established under IC 20-5.5;** and

(2) any person or persons authorized to act for the governing body of the school employer in dealing with its employees.

(d) "Superintendent" shall mean:

(1) the chief administrative officer of any:

(A) school corporation; **or**

(B) **charter school established under IC 20-5.5;** or

(2) any person or persons designated by the officer or by the governing body to act in the officer's behalf in dealing with school employees.

(e) "School employee" means any full time certificated person in the employment of the school employer. A school employee shall be considered full time even though the employee does not work during school vacation periods, and accordingly works less than a full year. There shall be excluded from the meaning of school employee

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supervisors, confidential employees, employees performing security work and noncertificated employees.

(f) "Certificated employee" means a person:

- (1) whose contract with the school corporation requires that ~~he~~ **the person** hold a license or permit from the state board of education or a commission thereof as provided in IC 20-6.1; **or**
- (2) **employed as a teacher by a charter school established under IC 20-5.5.**

(g) "Noncertificated employee" means any school employee whose employment is not dependent upon the holding of a license or permit as provided in IC 20-6.1.

(h) "Supervisor" means any individual who has:

- (1) authority, acting for the school corporation, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline school employees;
- (2) responsibility to direct school employees and adjust their grievances; or
- (3) responsibility to effectively recommend the action described in ~~subsections~~ **subdivisions** (1) through (2);

that is not of a merely routine or clerical nature but requires the use of independent judgment. The term includes superintendents, assistant superintendents, business managers and supervisors, directors with school corporationwide responsibilities, principals and vice principals, and department heads who have responsibility for evaluating teachers.

(i) "Confidential employee" means a school employee whose unrestricted access to confidential personnel files or whose functional responsibilities or knowledge in connection with the issues involved in dealings between the school corporation and its employees would make the confidential employee's membership in a school employee organization incompatible with the employee's official duties.

(j) "Employees performing security work" means any school employee whose primary responsibility is the protection of personal and real property owned or leased by the school corporation or who performs police or quasipolice powers.

(k) "School employee organization" means any organization which has school employees as members and one (1) of whose primary purposes is representing school employees in dealing with their school employer, and includes any person or persons authorized to act on behalf of such organizations.

(l) "Exclusive representative" means the school employee organization which has been certified for the purposes of this chapter by the board or recognized by a school employer as the exclusive

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1 representative of the employees in an appropriate unit as provided in  
 2 section 10 of this chapter, or the person or persons duly authorized to  
 3 act on behalf of such representative.

4 (m) "Board" means the Indiana education employment relations  
 5 board provided by this chapter.

6 (n) "Bargain collectively" means the performance of the mutual  
 7 obligation of the school employer and the exclusive representative to  
 8 meet at reasonable times to negotiate in good faith with respect to items  
 9 enumerated in section 4 of this chapter and to execute a written  
 10 contract incorporating any agreement relating to such matters. Such  
 11 obligation shall not include the final approval of any contract  
 12 concerning these or any other items. Agreements reached through  
 13 collective bargaining are binding as a contract only if ratified by the  
 14 governing body of the school corporation and the exclusive  
 15 representative. The obligation to bargain collectively does not require  
 16 the school employer or the exclusive representative to agree to a  
 17 proposal of the other or to make a concession to the other.

18 (o) "Discuss" means the performance of the mutual obligation of the  
 19 school corporation through its superintendent and the exclusive  
 20 representative to meet at reasonable times to discuss, to provide  
 21 meaningful input, to exchange points of view, with respect to items  
 22 enumerated in section 5 of this chapter. This obligation shall not,  
 23 however, require either party to enter into a contract, to agree to a  
 24 proposal, or to require the making of a concession. A failure to reach  
 25 an agreement on any matter of discussion shall not require the use of  
 26 any part of the impasse procedure, as provided in section 13 of this  
 27 chapter. Neither the obligation to bargain collectively nor to discuss  
 28 any matter shall prevent any school employee from petitioning the  
 29 school employer, the governing body, or the superintendent for a  
 30 redress of the employee's grievances either individually or through the  
 31 exclusive representative, nor shall either such obligation prevent the  
 32 school employer or the superintendent from conferring with any  
 33 citizen, taxpayer, student, school employee, or other person considering  
 34 the operation of the schools and the school corporation.

35 (p) "Strike" means concerted failure to report for duty, willful  
 36 absence from one's position, stoppage of work, or abstinence in whole  
 37 or in part from the full, faithful, and proper performance of the duties  
 38 of employment, without the lawful approval of the school employer, or  
 39 in any concerted manner interfering with the operation of the school  
 40 employer for any purpose.

41 (q) "Deficit financing" with respect to any budget year shall mean  
 42 expenditures in excess of money legally available to the employer.

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1        **SECTION 3. An emergency is declared for this act.**

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